

CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT (CTBID) BOARD

March 28, 2012 AGENDA

1:00 p.m.
City of Carlsbad
1635 Faraday Avenue, Room 173A
Carlsbad, CA

NOTICE TO THE PUBLIC:

1. Meetings are divided into categories shown below
2. When you are called to speak, please come forward and state your name and address.
3. All persons requiring assistance or auxiliary aids in order to effectively participate may contact the Administrative Services Office (760-602-2409) at least 24 hours prior to the meeting to arrange for reasonable accommodations.

PUBLIC COMMENT:

If you desire to speak about an item not listed on the agenda, a pink "Time Reservation Request" form should be filed with the Board Minutes Clerk. A total of 15 minutes is provided for the Public Comment portion of the Agenda. Speakers are limited to three (3) minutes each.

If you desire to speak concerning an item listed on the agenda, a white "Time Reservation Request" form should be filed with the Board Minutes Clerk. Each speaker is limited to three (3) minutes each. Please remember to state your name and address for the record.

I. CALL TO ORDER

1:00 p.m.

II. ROLL CALL

CONSENT CALENDAR: The items listed under Consent Calendar are considered routine and will be enacted by one motion as listed. There will be no separate discussion on these items prior to the vote, unless an item is removed.

(C) III. APPROVE MINUTES OF JANUARY 24, 2012

To approve the minutes of the January 24, 2012 meeting of the CTBID Board of Directors.

(C) IV. AB 03-12-74 2011-12 CTBID RECIPIENT'S FINAL REPORTS

Receive final reports from 2011-12 CTBID Grant Recipients

(CIV. AB 03-12-75 APPROVE APPOINTMENT TO VISITCARLSBAD BOARD

Approve recommendation by the VisitCarlsbad Board to appoint Kristine Bane to its Board.

REPORTS AND DISCUSSION ITEMS:

VI. STAFF REPORT

Staff will provide the following reports at this time:

- 1) Financial Update
- 2) CTBID Budget Subcommittee Recommendations

VII. AB 03-12-76 VISITCARLSBAD PROPOSAL FOR FISCAL YEAR 2012-13

Presentation from VisitCarlsbad on their 2012-13 budget and work program.

VIII. NEXT MEETING

Set date for next meeting. Agenda topics to include:

- 1) CTBID 2012-13 Budget and Annual Report
- 2) VisitCarlsbad 2012-13 contract
- 3) Election of CTBID Board Chair

The remainder of the categories is for reporting purposes. In conformance with the Brown Act, no public testimony and no Board action can occur on these items.

GENERAL COUNSEL COMMENT

PUBLIC COMMENT

ADJOURNMENT

MINUTES

MEETING OF: CARLSBAD TOURISM BUSINESS IMPROVEMENT
DISTRICT BOARD (Regular Meeting)

DATE OF MEETING: January 24, 2012

TIME OF MEETING: 1:00 p.m.

PLACE OF MEETING: Room 173A, Faraday Administrative Center,
1635 Faraday Avenue

CALL TO ORDER: Vice Chair Canepa called the Meeting to order at 1:05 p.m.

ROLL CALL was taken by the Deputy Clerk, as follows:

Present: Canepa, Nayudu, Becerra, Stiebeling and Akers.
Absent: McCormick and Stripe.

III. MINUTES FOR APPROVAL

On a motion by Board Member Becerra, the Board approved the Minutes of the meeting held October 27, 2011.

APPROVE APPOINTMENT TO VISITCARLSBAD BOARD:

On a motion by Board Member Nayudu, the Board unanimously approved the appointment of Toni Dockery to the VisitCarlsbad Board.

AB 01-12-73 PROPOSED CTBID ORDINANCE REVISIONS

Staff Liaison Cheryl Gerhardt provided the Board with a brief background regarding the recommended change to the Ordinance being presented to the Board for its recommendation for approval to the City Council.

General Counsel Ron Ball reviewed the refund process outlined in the proposed revised Ordinance. Mr. Ball also reviewed the statutes that permitted the timing of a refund to allow refunds to go back only one year. Mr. Ball stated that in order to be consistent a recommendation was also being made to allow TOT refunds to go back only one year. Currently, refunds are permitted for three years.

Board Member Nayudu clarified that Motel 6 would be "grandfathered" in for a three-year CTBID assessment overpayment refund and once this payment was made and the new ordinance was adopted, only refunds covering a one-year period would be authorized.

On a motion by Board Member Nayudu, the Board unanimously approved the refund to Motel 6 for the overpayment of three full years of CTBID assessments; and, the revised Ordinance recommending approval by the City Council.

STAFF REPORT:

Staff Liaison Cheryl Gerhardt provided the Board with a review of the CTBID Assessment Revenue and financial reports.

CTBID MEETING MINUTES

January 24, 2012

Page 2

Board Member Stiebeling asked if there was a threshold regarding reserve funds.

Ms Gerhardt stated that a reserve fund with \$100,000 to cover ongoing costs at the beginning of the fiscal year was preferable.

Vice Chair Canepa introduced new Board Member Kim Akers, representing the West Inn and Suites.

Executive Director of VisitCarlsbad Sam Ross gave a brief overview regarding the importance of "branding Carlsbad".

Drew Allison, Homeland Suites and DMO Board Member, explained to the Board that from an outsider's perspective there are hodgepodge views of all that there is to do in Carlsbad. He added that Carlsbad is competing for a share of the tourism market with the other beach cities. Mr. Allison stated that the DMO Board sees branding as a way to close the occupancy gap between hotels in Carlsbad and the San Diego area.

In response to an inquiry from Board Member Nayudu, Mr. Ross said that the budget to hire a public relations firm was approximately \$7,000.

Vice Chair Canepa added that he would like a competitor clause for San Diego County put in the contract between the DMO and the public relations firm.

DISCUSSION ITEMS:

In response to an inquiry from Ms. Gerhardt, the Board gave direction regarding the preparation of the 2012-2013 budget.

Vice Chair Canepa stated he has learned from the industry that there is projected occupancy growth, but the Board may still want to remain conservative in projecting revenue. Board Members Akers and Becerra will assist Ms. Gerhardt with the preparation of the budget to be brought back to the board at the next meeting.

VII. NEXT MEETING

The Board scheduled its next meeting for March 28, 2012 at 1:00 p.m. Staff will notify the Board of the location.

By proper motion, the Board Meeting of January 24, 2012 adjourned at 1:54 p.m.

SHERRY FREISINGER
Senior Deputy Clerk



CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT AGENDA BILL

AB#	03-12-75	<i>Approve Appointment to Visit Carlsbad Board</i>	CTBID STAFF	<i>CL</i>
MTG.	3-28-12		GENERAL COUNSEL	
DEPT.	City Mgr			

RECOMMENDED ACTION:

Approve the recommendation by the Visit Carlsbad Board to appoint Kristine Bane to its Board.

ITEM EXPLANATION:

At its 5-18-11 meeting, the Carlsbad Tourism Business Improvement District (CTBID) Board entered into an agreement with the Carlsbad Convention and Visitors Bureau (dba Visit Carlsbad) to provide tourism promotion services for the CTBID for the period July 1, 2011 through June 30, 2012. A provision in this contract was that the CTBID Board had to approve any changes to the Visit Carlsbad Board.

In a letter from Visit Carlsbad Board Chair, Bob Moore, to CTBID Board Chair, Tim Stripe, the Visit Carlsbad Board is recommending that the CTBID Board approve the appointment of Kristine Bane, General Manager of West Inn and Suites, to fill the vacancy on the VisitCarlsbad Board. (See letter at Exhibit A)

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

This action does not approve any projects that will have a physical adverse affect on the environment so it falls within the general rule under CEQA that this is not a project (CEQA Regulation 153789(b)).

EXHIBITS:

- A. Letter dated March 28, 2012, from Visit Carlsbad Board Chair, Bob Moore, to CTBID Board Chair, Tim Stripe, recommending Kristine Bane fill the vacancy on Visit Carlsbad Board.

DEPARTMENT CONTACT: Cheryl Gerhardt, 760-602-2753, cheryl.gerhardt@carlsbadca.gov

FOR CITY CLERKS USE ONLY.				
BOARD ACTION:	APPROVED	<input type="checkbox"/>	CONTINUED TO DATE SPECIFIC	<input type="checkbox"/>
	DENIED	<input type="checkbox"/>	CONTINUED TO DATE UNKNOWN	<input type="checkbox"/>
	CONTINUED	<input type="checkbox"/>	RETURNED TO STAFF	<input type="checkbox"/>
	WITHDRAWN	<input type="checkbox"/>	OTHER – SEE MINUTES	<input type="checkbox"/>
	AMENDED	<input type="checkbox"/>		



March 28, 2012

Mr. Tim Stripe
Vice Chairman
Carlsbad Tourism Business Improvement District
City of Carlsbad
1635 Faraday Ave.
Carlsbad, CA 92008

Dear Tim,

The Board of Directors of Visit Carlsbad, Carlsbad's Destination Marketing Organization would like to put forth Ms. Kristine Bane, General Manager of West Inn and Suites, as the replacement for the seat vacated by Ms. Toni Dockery on the Visit Carlsbad board of directors.


Per the agreement between the CTBID and Visit Carlsbad we ask that the CTBID board approve Ms. Bane at the next CTBID meeting to be held on March 28, 2012. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Moore", with a stylized flourish at the end.

Bob Moore
Chairman
Visit Carlsbad

**CARLSBAD TOURISM
BUSINESS IMPROVEMENT DISTRICT
AGENDA BILL**

AB#	03-12-76	<i>Proposal from VisitCarlsbad (Carlsbad Convention and Visitors Bureau)</i>	CTBID STAFF	
MTG.	3-28-12		GENERAL	
DEPT.	City Mgr		COUNSEL	

RECOMMENDED ACTION:

Receive report from VisitCarlsbad and direct staff accordingly.

ITEM EXPLANATION:

Since the inception of the Carlsbad Tourism Business Improvement District (CTBID), the CTBID Board has contracted with Carlsbad Convention and Visitors Bureau 501C-6 corporation (dba VisitCarlsbad) to provide tourism marketing services for Carlsbad. The scope of those services have included operation of the visitor center, web site development and administration, print and internet advertising, public relations and various other tourism marketing activities identified in the contract for that fiscal year. The VisitCarlsbad Board develops the scope of work and presents it to the CTBID Board for approval along with the proposed budget for the work which is then included in the CTBID annual budget.

The VisitCarlsbad Board has developed the 2012-13 proposed budget and program of work presented at Exhibit 1. The CTBID Board should receive their report and discuss the proposal. Following the discussion, if the Board would like to contract with VisitCarlsbad to provide these services for 2012-13, the CTBID Board should direct staff to bring back the contract for adoption at the next Board meeting.

FISCAL IMPACT:

For the fiscal year 2012-13, projected revenues for the CTBID are estimated at \$900,000. The total payment for these proposed services for the twelve-month period is \$800,000.

ENVIRONMENTAL IMPACT:

This action does not approve any projects that will have a physical adverse affect on the environment so it falls within the general rule under CEQA that this is not a project (CEQA Regulation 15738 (b)).

EXHIBITS:

1. Proposed budget and program of work for tourism promotion services from VisitCarlsbad for the period July 1, 2012 through June 30, 2013.

DEPARTMENT CONTACT: Cheryl Gerhardt, 760-277-5203, cheryl.gerhardt@carlsbadca.us



FY12 VISIT CARLSBAD BUDGET - WORKING

	FY12 Budget (F)	FY12 Budget (A)	Variance	Proposed FY13 Final Budget	% Variance to FY13 Forecast
INCOME					
Public Sources					
CTBID Revenues	744,582	744,582	0	800,000	7%
City of Carlsbad					
Total Public Sources	744,582	744,582	0	800,000	
Carry Over from FY2011		9,545			
TOTAL INCOME	744,582	754,127	9,545	800,000	6%
EXPENSE					
Labor					
Salaries	186,430	195,751	9,321	201,337	1 3%
Payroll Taxes	15,309	16,074	765	16,556	3%
Works Comp	0	3,157		3,800	5%
Benefits	22,309	27,714	5,405	22,500	2 -23%
Total Labor	224,048	242,696	18,648	244,193	1%
Promotional Programs					
Advertising & Production	60,000	20,000	(40,000)	25,000	3 20%
Research	5,000	5,000	0	3,500	-43%
Outside Services-Interactive Marketing	309,000	364,545	55,545	340,000	4 -7%
Outside Services-Group Direct Sales	60,000	50,000	(10,000)	50,000	0%
Outside Services-Public Relations	0	-	0	60,000	5 100%
Travel & Entertainment	10,000	10,000	0	10,000	0%
Dues & Subscription	9,500	10,000	500	10,000	0%
Collateral Production & Fulfillment	37,609	26,000	(11,609)	28,000	7%
Total Promotional Programs	491,109	485,545	(5,564)	526,500	8%
Bulk Mail	0	-		-	
General Administration					
Bank Charges	600	1,100	500	1,157	5%
Equipment Rental & Maintenance	4,600	4,000	(600)	3,000	-33%
Facility Repair & Maintenance	80	108	28	150	28%
Insurance	2,300	2,400	100	2,400	0%
Office Supplies	4,000	3,000	(1,000)	3,000	0%
Postage	1,200	1,200	0	2,000	40%
Taxes	45	135	90	150	10%
Telephone	5,000	5,500	500	6,000	8%
Professional Services (legal, audit)	6,900	5,500	(1,400)	5,600	2%
Volunteer Program	1,000	1,000	0	1,000	0%
Miscellaneous	900	500	(400)	150	-233%
Utilities	2,800	3,700	900	3,700	0%
Computer Expense	-	900	900	1,000	10%
Total G&A	29,425	29,043	(382)	29,307	1%
TOTAL EXPENSE	744,582	757,284		800,000	5%
OVER/(UNDER)	0	3,157		0	

FOOTNOTES

- 1 Merit increase of 3%
- 2 Reduction in plan coverage
- 3 Increase due to printing of new lure brochures
- 4 Reduced Interactive Marketing to help fund Public Relations
- 5 Adding Public Relations Agency to overall marketing mix.

Approved by VisitCarlsbad Board of Directors

FY12 -- PROGRAM OF WORK - PROPOSED
VISIT CARLSBAD

Strategy and Tactics	Timing				Budget	Comments
	Q1	Q2	Q3	Q4		
Prioritize and develop market intelligence on the leisure travel segmen						
Extract Carlsbad visitor information from SDCVB Visitor Profile Study		√			3,500	STR & Visitor Profile
Expand STR subscription to include key competitive market:	√	√	√	√		
Manage Interactive Agency Program of Work	√	√	√	√	340,000	Mindgruve
Including pay-per-click advertising, display advertising, email marketing, content development, social media, promotions						
Manage Public Relations Program of Work	√	√	√	√	60,000	TBD
Review CTBID Grant applications and make funding recommendations to the CTBID Board	√					Board evaluation
Develop partnerships and coop advertising opportunitie:		√			25,000	
Produce print advertising for inclusion on State and local DMO program:	√					
Manage visitor publications and fulfillmen:	√	√	√	√	28,000	Certified Folder Display
Evaluate how to scale back distribution cost:						
Evaluate different models for providing visitor informatior						
Earn unpaid media exposure through public relation:						
Pitch story ideas, whats new, host travel writer:	√	√	√	√		
Coordinate media FAMs in partnership with regional DMO:						
Travel & entertainment	√	√	√	√	10,000	
Contracting for Meetings Market Leads/Bookings						
Interactive/email campaing for group busines:		√	√		50,000	
Partnerships & subscriptions with regional and national tourism organization	√	√	√	√	<u>10,000</u>	DMAI database
Regional DMO memberships						
TOTAL PROMOTIONAL PROGRAM OF WORK					526,500	